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Letter dated 16 January 2006 from the Permanent Representative of Austria to the United Nations addressed to the Secretary-General

Permit me to inform you about the fifth meeting of the Global Forum on Sustainable Energy (GFSE), held in Austria from 11 to 13 May 2005.

GFSE is a platform for multi-stakeholder dialogue on all issues pertinent to energy for sustainable development. Its fifth meeting explored possibilities for enhancing international cooperation on biomass issues with special emphasis on building up the needed institutional capacity to promote South-South cooperation on biomass.

Submitted herewith are the executive summary of the fifth meeting of GFSE, including elements for recommendations (see annex I) and the programme of the meeting (see annex II).

I should be grateful if the present letter and its annexes could be circulated as a document of the fourteenth session of the Commission on Sustainable Development.

(*Signed*) Gerhard **Pfanzelter**
Ambassador

* E/CN.17/2006/1.

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Annex I to the letter dated 16 January 2006 from the Permanent Representative of Austria to the United Nations addressed to the Secretary-General

8 June 2005

Fifth meeting of the Global Forum on Sustainable Energy

Enhancing international cooperation on biomass

Executive Summary

The Fifth Meeting of the Global Forum on Sustainable Energy (GFSE-5) took place from 11 through 13 May 2005 in Vienna, Austria. It was attended by some '160 participants with over 60 participants from developing countries. GFSE-5 was co-sponsored by the Federal Ministry for Foreign Affairs and the Federal Ministry for Agriculture, Forestry, Environment and Water Management, Austria. Financial support is gratefully acknowledged from the City of Vienna, UNIDO and UNDP.

GFSE-5 catalyzed a meeting of WSSD-based energy partnerships and a Senior Officials Meeting of the Johannesburg Renewable Energy Coalition (both on 10 May 2005) as well as meeting of UN-Energy on 13 May 2005.

The opening addresses were given by the Austrian Minister for Agriculture, Forestry, Environment and Water Management, Josef Proell; the Secretary General for Foreign Affairs of Austria, Johannes Kyrie; the Executive Director of UNEP, Klaus Toepfer; and the Secretary for Energy of Uganda, Paul Mubiru. Background papers were prepared by Stephen Karekezi of AFREPREN, Christine Lins, EREC, and J. Gururaja, UN-DESA. The program of GFSE is enclosed; ENB covered the meeting and has posted its report on www.iisd.ca/. Powerpoint presentations made during GFSE-5 are posted on www.gfse.at.

Elements for Recommendations

*Note: The following draft recommendations were compiled based on an initial draft distributed to GFSE-5 participants and the comments received by them. Recommendations are rendered in **bold;** comments in regular script.*

The Plan of implementation agreed upon at the **World Summit on Sustainable Development in** 2002 underlines the importance of energy services as a means to achieve poverty eradication and as a necessity for sustainable development in general.

With regard to the importance and use of biomass, para. 9 states that actions shall be taken to

- **improve access to modern biomass technologies and fuel wood sources and supplies and commercialize biomass operations, including the use of agricultural residues, in rural areas and where such practices are sustainable;**

and to

- **promote a sustainable use of biomass and, as appropriate, other renewable energies through improvement of current patterns of use, such as management of resources, more efficient use of fuel wood and new or improved products and technologies.**

1. Improved Use of Traditional Biomass

- **1.1. Step-up research and analysis, as well as data collection so that planning for biomass energy could be based on a more accurate knowledge of the situation on the ground**

Data collection on biomass usages, especially for household consumption, as well as on biomass supply should be part of overall energy sector planning. FAO/UNEPIIEA could have a role on this. Furthermore the role of energy, in particular traditional biomass energy should be considered in relation to the entire MDG framework and, in particular, in relation to MDGs 1, 3 and 7, as well as in the context of energy security. Indicators in percentages of energy consumption from traditional fuels should be linked to MDG 1, and time spent on fuel collection to MDG 3.

While being primarily a national activity, support from international donors may be needed to spearhead research and data collection.

GNESD together with FAO could collaborate to develop adequate methodologies.

FAO's database on wood energy is available to all interested parties and provides historical data useful for planning and policy making.

The ASEAN Centre for Energy (ACE) in Jakarta would be a logical focal point for SE Asian countries as well as Japan, China and Korea.

- **1.2. Promote international research on biomass issues**

Successful traditional values/knowledge systems have been instrumental in conserving specific trees/forests. These could be drawn upon to determine the role of specific trees in local, national and regional policies and how they can be used as a building block for sustaining the energy supply needs.

Forestry projects - both exotic and indigenous - have been implemented for many years. Evaluations should be done on what have been the impacts on the energy supply side and to natural ecosystems (furthermore it needs to be taken into account that forests also supply La. food, building material, medicines etc).

GNESD is probably the best placed international research partnership with good links in developing and industrialized countries. The research agenda should be broken down to
- fuels/heat/household
- electricity generation.

FAO has prepared an International Bio-Energy Programme Framework which is based on two main pillars: Information and Mobilization. It calls for a concerted action by all stakeholders and for FAO to host global databases and information tools, as well as decision-making tools and approaches to national bio-energy programs.

An item on the international research agenda should be to evaluate the acceptability of common policy instruments for global application such as 20 % ethanol for gasoline and 10 % bio-diesel for global use.

- **1.3. Lower the cost of widely used improved biomass technologies (IBTs) (such as improved cookstoves)**

National institutions in developing countries would be expected to play a lead role.

Partnerships such as Global Village Energy Partnership (GVEP) should include household energy and traditional fuels in energy planning linked to poverty reduction and community development efforts.

Partnerships such as GVEP and Renewable Energy and Energy Efficiency Partnership (REEEP) can help with knowledge exchange, capacity building and could be instrumental in piloting effective approaches to the lowering of the cost of widely used IBTs.

- **1.4. Promote local production of IBTs**

FAO can offer its experience in rural and urban small and medium scale applications of wood energy such as food processing, brick and tile making, utilizing improved kilns, ovens and driers.

UNIDO could help in close partnership with local institutions.

- **1.5. Harness income-producing effect of IBTs on rural poor**

FAO is key on traditional fuels and the industry link; UNIDO should be very instrumental in promoting best global practices in this area -- policy guidance, technical assistance and implement flagship projects.

2. Modernized Biomass (agro-industry, new growth, pellets, boilers, etc.)

- **2.1. Set targets for modernized biomass energy, combined with financial commitments**

There is need to create awareness on the role of energy in general and renewables/biomass in particular in poverty reduction. Targets should be included in national poverty reduction plans, as part of the energy overall and more specific targets would need to be first stipulated in national energy plans.

Donor commitments to developing country efforts would provide an important signal to decision makers in developing countries.

- **2.2. Develop new and innovative financing mechanisms for modern bioenergy systems**

Regional Development Banks, like ADB, have a role to play. They should collaborate with local small credit institutions, especially micro-credit associations/cooperatives.

Create tax incentives for bio energy.

Pilot projects as well as Feasibility Studies need to be implemented for information and training of local financing institutions.

- **2.3. Create dedicated regional and international funds to promote modern biomass technologies**

Regional funds would be best placed in regional development banks. International multilateral development agencies such as UNIDO, FAO as well as international development banks would be best placed to manage international funds Care should be taken to avoid "technology push" arising from these funds.

As a matter of routine, UNDP country cooperation should include household energy, including biomass.

Role for ACE is seen.

- **2.4. Use modern biomass technologies as levers to develop agro-industries**

FAO has knowledge and experience in the fields of sugar, rice, sorghum, forestry and other agro-industries and in their role and potentials to diversify towards the production of bioelectricity, process heat and liquid biofuels. FAO also has information on commodity prices and on the impact that large scale bio-energy production can have on markets and prices.

UNIDO needs to transfer its expertise and experience to the ground level, which necessitates close collaboration with local agro-industrial institutions.

- **2.5. Promote capacity building in biomass and integrate knowledge about modern biomass into long-term energy training programs**

Knowledge on modern biomass can be incorporated in capacity development programmes of donors and partnerships. Capacity building should cut across all biomass technologies, targeted especially at ministries involved in the PRSP and CSP formulation i.e. principally Ministry of Finance and Economic Planning as well as ministries of energy, health, agriculture etc.

ASEAN Centre for Energy could have a role.

- **2.6. Develop legal and regulatory frameworks which are needed to promote the use of modern biomass technologies**

Long term energy policies are needed in the fields of energy, agriculture and forestry; work is needed on taxation and regulatory frameworks for biomass and bio-fuels. Legal and regulatory frameworks should be developed internally (from within).

Regulatory frameworks are needed to promote public-private partnerships (PPPs). Barriers for users, utilities, 1BT producers, suppliers, governments etc need to be identified and win-win situations created for all actors.

REEEP and others could support this activity. REEEP could identify opportunities for promoting modern biomass technologies in a reforming energy industry.

- **2.7. Enhancement of decentralised biomass based energy supply:**

Local energy resources have to be studied with a holistic (socio-economic) approach and not exclusively from a transformation point of view. High-tech applications with the focus on reducing man-power costs are solutions for industrialized countries; for developing countries a different approach is needed since job creation can be a high priority. Micro-level planning and grassroots assessments are necessary to identify the energy needs and priorities of the people and to design the biomass energy programs accordingly.

3. Bio-Fuels for heat/cooking and transport (bio-diesel, ethanol, etc.)

- **3.1. Create the policy frameworks needed for development and use of bio-fuels**

- **3.2. Pursue R&D efforts (blending, standards, cellulosic conversion and gasification based technologies etc.)**

- **3.3. Create a level playing field for bio-fuels through the internalisation of external costs**

- **3.4. Create framework for PPP especially in the field of bio-fuels**

- **3.5. Further investigate GHG reduction certification for bio-fuel option**

Complex industry requires heavy investment, has the potential of creating a new dynamic economic sector providing income.

4. Bio-Mass Power Generation (CHP, electricity, decentralized systems)

- **4.1. Promote bio heat and cooling**

- **4.2. Promote biomass based CHP**

- **4.3. Implement information and pilot projects and Feasibility Studies through donor and private investments**

Local I regional private sector might play an increasing role in financing energy infrastructure. Dialogue with them needs to be started to take them on board.

5. Biomass and Systems Approach

- **5.1. Integrate biomass technologies into the system context of the overall energy service provision - including scarce resources such as land, water, environment, food**

Energetic use of biomass competes with many other purposes and it is used at many different levels: e.g. end-use level for cooking energy, fuel energy for heating and warm water, secondary level for electricity production and district heat etc.

A requirement exists for a focus on fuel supplies from agricultural and forestry industries, food production and waste management. The biomass industry, or those interest groups that represent it, rarely includes these sectors. Biomass fuel (certainly for power production) is rarely a primary product, but is usually a co-product of these industries. The GFSE should actively include these industries to which power production would be a marginal upside. Cross-sector issues and integration of biomass with other industry sectors should be focussed.

6. International Cooperation, including Development Cooperation

- **6.1. Promote cooperation within countries through better donor coordination, multi-stakeholder involvement (esp. local financial actors such as micro-credit institutions), etc.**

- **6.2. Strengthen regional cooperation with information networks, technology transfer institutions, education and training programs, regional R&D and technology innovation programs, develop regional energy (biomass) strategies**

- **6.3. Promote South-South and North-South-cooperation**

Policy issues: targets, mechanism, subsidies, taxes, R & D

Donors with substantial and robust biomass and forest industries are likely to be interested. EU countries such as Austria, Denmark, Sweden and Finland might be interested in taking the lead.

Donors could post funds in ACE managed by their nominated experts. A dedicated biomass initiative should be developed under the EU EI.

UN-Energy has a Bioenergy component in its workplan and can contribute in streamlining efforts in this field.

It was suggested that GFSE organize a side-event on bioenergy at CSD 14 and a side event on renewables at CSD 15.

- **6.4. Promote international cooperation to foster capacity building and technology transfer**

- **6.5. Document and make available best practice projects**

- **6.6. Integrate the international trade dimension into the biomass discussion**

Generating a better understanding of the dynamic between locally produced and internationally traded biomass (biofuels in particular)

Closer Cooperation between bio-energy community and trade negotiators, so bioenergy issues can be reflected in WTO Doha Round, in particular:

- include bioenergy technologies and biomass/bio-fuels in the list of environmental goods and services for which tariffs are set to be reduced I eliminated;
- include biomass/biofuels considerations into current negotiations on the reduction/restructuring of agricultural subsidies.

- **6.7. Consider the gender dimension of biomass use**

GFSE takes note of the special importance that biomass energy use, especially traditional fuels, are impacting on the situation of women and girls in terms of time spent in fuel collection, household cooking, participation in education, health conditions, and economic activities. Affordable and accessible modernized biomass energy is needed to support gender eqality.

Commitments

In addition to the above recommendations, the following unilateral commitments and undertakings were formulated:

UNEP

1. With FAO, looking at how existing information on biomass resources could be brought into the data archive created for the Solar and Wind energy Resources Assessment (SWERA) so that more resource information is readily available for planning and investment purposes.
2. With Natural Resources Canada, expanding availability and use of the RETScreen renewable energy project pre-feasibility tool in developing countries. RETScreen is a powerful means of analyzing potential biomass projects;
3. Promoting use of environmental due diligence guidelines for renewable energy projects, including biomass projects. EDD guides make easier the financial review of projects by lending institutions.

4. Examining bio-energy projects, particularly small projects, in the CDM context with an aim of suggesting simplified procedures that would reduce review costs and speed the process while maintaining the integrity of the CDM.

5. Working with the bio-energy' industry on a case study or studies of actual projects involving exports of technology that would reinforce the OECD's nascent special treatment of renewable energy projects receiving export credits or credit guarantees.

GNESD

The GNESD representative committed to asking GNESD members to agree to the following as Network efforts:

1. With FAO and possibly IEA, developing some methodological guidance on data collection and analysis of bioenergy resources (existing and feasible), to allow for comparability of data.

2. Undertaking a comparison of different bioenergy options looking at characteristics such as:

   - job creation potential
   - GHG emissions reduction potential
   - energy balance considerations
   - energy security
   - conventional pollutant benefits
   - land/water needs and requirements
   - fertilizer/pesticide implications
   - costs, investment capital required
   - technological considerations, including availability of local technologies
   - training needs/capacity building needs; etc.

FAO

1. In cooperation with interested partners, facilitate the establishment of an International Bio-energy Programme Framework that would promote two main objectives: an International Bio-energy Information System as well as an International Bio-energy Mobilization Effort.

Annex II to the letter dated 16 January 2006 from the Permanent Representative of Austria to the United Nations addressed to the Secretary-General

Fifth meeting of the Global Forum on Sustainable Energy

ENHANCING INTERNATIONAL COOPERATION ON BIOMASS

(DRAFT AS OF 10 MAY)

Vienna, 11-13 May 2005

DIPLOMATIC ACADEMY OF VIENNA
FAVORITENSTRASSE 15A
A-1040 VIENNA

The Global Forum on Sustainable Energy (GFSE) is a platform for multi-stakeholder dialogue on issues pertinent to energy for sustainable development. The initiative, launched by the Austrian Foreign Minister in 1999, grew out of the outreach efforts of the World Energy Assessment and is envisaged to orchestrate a series of dialogues that will facilitate decision-making on policy issues in the appropriate fora and foster public-private partnerships.

The Fifth Meeting of the GFSE will explore possibilities to enhance the international cooperation on biomass issues, with special emphasis on building up the needed institutional capacity to promote South-South cooperation on biomass. Furthermore GFSE 5 will again provide a meeting platform for various energy-partnerships announced at the World Summit on Sustainable Development in Johannesburg 2002 and promote exchange of information on their progress.

Information about the GFSE and its previous meetings can be found at www.gfse.at.

WEDNESDAY, 11 MAY 2005

WELCOME - KEYNOTE ADDRESSES

08.00	Registration of Participants	
09.00	Opening	Representative of GFSE
09.15	Welcome Address by the Host	Mr. Johannes Kyrle Ministry for Foreign Affairs, Austria

9.45	Keynote Addresses:
	Mr. Josef Pröll Minister of Agriculture, Forestry, Environment and Water Management, Austria
	Mr. Paul Mubiru Commissioner for Energy, Ministry of Energy and Mineral Development, Uganda
	Mr. Klaus Töpfer Executive Director, UNEP
10.30	Coffee break

PLENARY I: INCREASING THE USE OF BIOMASS: POTENTIAL AND CHALLENGES

11.00	Status of Biomass Energy in Developing Countries and Prospects for International Collaboration	Mr. Stephen Karekezi AFREPREN
	Biomass and Trade: Where are the Links?	Ms. Malena Sell ICTSD

PLENARY II: FOOD AND ENERGY CROPS: SYNERGIES AND DANGERS
(MODERATOR: MR. GUSTAVO BEST, FAO)

11.30	Availability of land for energy crops and the future demand for food and feed	Mr. Guenther Fischer IIASA
	Food and energy crops: avoiding conflicts over land use	Mr. Gustavo Best FAO
	Sweet Sorghum: One of the best food-feed-energy crop	Mr. Norbert Vasen, ETA Renewable Energies, Italy
	International trade: the Brazil-EU Case	Mr, Norbert Vasen, ETA Renewable Energies, Italy
	Discussion	
13.00	Lunch Break	

PLENARY III: THE EXAMPLE OF AFRICA
(MODERATOR: MR. STEPHANKAREKEZI, AFREPREN)

14.00	Biomass Partnerships in Africa: Where to start?	Mr. Stanford Mwakasonda University of Cape Town
	Options for Increasing the Use of Biomass: Potential and Challenges	Mr. David)(aka IRSEAD, Kenya
	Women as stakeholders on biomass issues	Ms. Julie Leopold Tanzania
	Improved Household Energy in Africa -- Are we ready for scaling up?	Mr. Arno Tomowski GTZ, Germany
15.00	Discussion - followed by a Coffee break	

Plenary III continues:

16.30	"Smoke in the Kitchen: Three Country Smoke Program" Biomass and Health Issues	Ms. Liz Bates ITDG
	The potential for sugarcane and sweet sorghum in southern Africa as sustainable bio-energy resources	Ms. Helen Watson University of Kwazulu-Natal, South Africa
17.15	Discussion	

Plenary III will be finished at the latest at 18.00

Evening:

Panel discussion (English language) at 19.00 with focus on environmental technologies (biomass) followed by a reception hosted by the Austrian Ministry of Agriculture, Forestry, Environment and Water Management.

THURSDAY, 12 May 2005

Working Groups I-II will convene in parallel.

WORKING GROUP I: BIOFUELS FOR SUSTAINABLE TRANSPORT

9.00 - 11.00		*Rapporteur.* Ms. Christine Lins EREC
	Biomass Action Plan for the EU	N.N. European Commission
	Brazil Ethanol Programme	Ms. Suani Teixheiro Coelho Brazil
	Jatropha Curcas - The Power Plant"	Mr. Mark Quinn D1
	Practical Implementation of the EU Biofuels Directive	Mr. Walter Böhme OMV
	Bioenergy options for PICs	Mr. Atul Raturi University of Technology, Papua New Guinea
	Issues, options and challenges of Biofuels	Ms. Kathleen Abdalla UN-DESA

WORKING GROUP II : BIOMASS FOR ELECTRICITY: PRQDUCTIONAND HOUSEHOLD HEATING

9.00 - 11.00		*Rapporteur.* Mr. Kasimir Nemestothy Austrian Energy Agency
	Biomass for Electricity Production - Albania	Mr. Besim Islami National Agency of Energy, Albania
	New Realities in Biomass Power Opportunities	Mr. Fernando Alvarado E+Co Europe
	Biomass for Electricity Generation in isolated villages in rural areas	Ms. Suani Teixheiro Coelho Brazil
	Biomass and the Kyoto Mechanisms	Mr. Clemens Plöchl Kommunalkredit, Austria
	Cogeneration based on sugarcane bagasse	N.N. Colombia

11.00	Coffee break

11.30 - 13.00	Working Groups I – II continued

13.00	Lunch Break

Arrangements for conclusion of the Working Groups (access to computers etc.) will be made.

PLENARY IV: PLEDGES OF SUPPORT (MODERATOR: MR. ABEL RWENDEIRE, UNIDO, TBC)

14.00	From International Organizations	UN-DESA, UNDP, UNEP, FAO, UNFCCC, UNIDO
	From Energy Partnerships	REEEP, GVEP, GNESD, PCIA, AFDB
16.00	Discussion	

Plenary IV will be finished at the latest at 17.00

Evening: Reception

FRIDAY, 13 MAY 2005

PLENARY V: REPORTS FROM THE WORKING GROUPS (MODERATOR: MS. ELM A. MORE, MINISTRY OF AGRICULTURE, FORESTRY, ENVIRONMENT AND WATER MANAGEMENT, AUSTRIA)

9.00	Working Group I - Biofuels for Sustainable Transport	Ms. Christine Lins EREC
	Working Group II - Biomass for Electricity Production and Household	Mr. Kasimir Nemestothy Austrian Energy Agency
09.30	Discussion	

PLENARY VI: STRENGTHENING INSTITUTIONAL CAPACITY FOR BIOMASS (MODERATOR: MR. MATS KARLSSON, CHAIRMAN, UN 'ENERGY)

9.45	Views from Latin America	Mr. Alfredo Curbelo Cuba
	Views from Asia	Mr. Kinga Tshering Bhutan
	Views from Africa	Mr, Abdclali Dakkina Morocco
	Views from SEE and CIS	Mr. Krasimir Naidcnov Bulgaria
	Views from Europe	Ms. Doerte Fouquet European Renewable Energy Federation
11.00	Discussion - followed by a coffee break	

CONCLUDING PANEL: TIIE WAY .FORWARD

11.00	*Chair:* Ms. Irene Freudenschuss-Reichl *Panelists:* Mr. Thomas B. Johansson, IIIEE; Mr. Mats Karlsson, UN-Energy a.o.
	Discussion
13.00	Lunch Break

Afternoon: Field Trip (or departure): Guided tour to Bruck a.d. Leitha (Biogasplant and Biomass Districting Heating Plant.

It is anticipated that a JREC Senior Officials Meeting as well as Energy Initiatives Meeting and a meeting of UN-ENERGY will take place in the margins of GFSE-5. Invitations will be issued separately for these meetings.

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